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APRIL 5, 1965

AUSTRALIA INCREASES TOBACCO PROTECTION

INDIA'S FOOD OUTLOOK

U.S. RICE EXPORTS TO JAPAN HIGHER

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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

APRIL 5, 1965

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Australian tobacco spread out for appraisal. Australia protects its growers by requiring a stated percentage of domestic leaf in cigarettes—and the percentage is rising. (See story, opposite page.)

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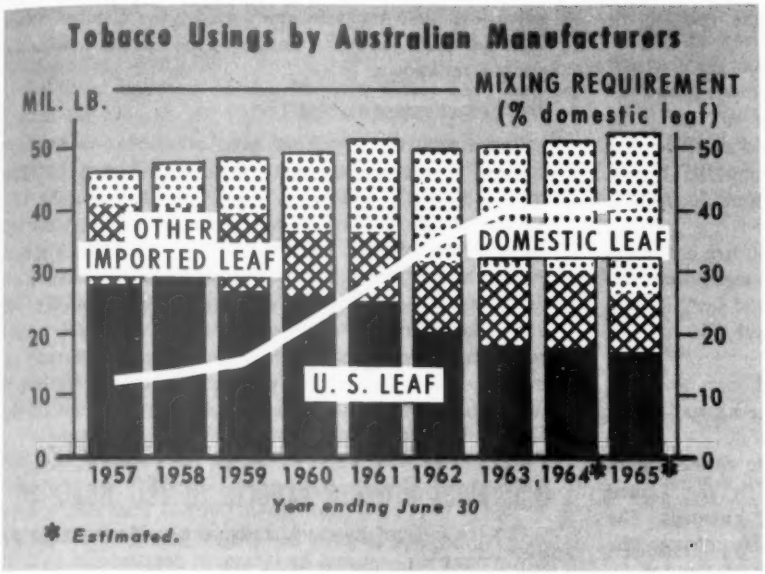
AUSTRALIA Increases Its TOBACCO PROTECTION



The soaring white line at left symbolizes the level of Australia's tobacco protection. As it has risen, use of imported leaf has fallen.

Australia has adopted a "Tobacco Stabilization Program" designed to give its domestic producers a bigger share of its market but which—it is claimed—will also give exporters larger export opportunities in the long run.

Under the Australian import control system, manufacturers of tobacco products must "mix" (use) a certain proportion of domestic tobaccos in order to be able to bring in imported tobaccos at a duty rate of 80 cents per pound rather than at a duty rate of 96 cents per pound. In recent years, the mixing requirement has been about 40 percent. This has now been raised to 43 percent through June 30, 1965, to 45 percent for July-September 1965, to 47 percent for October-December 1965, and to 50 percent from January 1, 1966, onward.

Carryover stocks high

Australian tobacco production has been expanding, and the current carryover is estimated to be about 13 million pounds in excess of normal carryover, which is about an 18 months' supply of domestic leaf. Australian manufacturers were urged to purchase the excess 13 million pounds from the 1964 crop. The Australian authorities maintain that their new program will stabilize production and permit the working off of excess inventories in an orderly manner, and that such stability and supply balance will be to the advantage of foreign suppliers as well as to that of Australian growers and the industry.

For the present year and the next several, however, it is plain that Australia will be taking a bigger share of its market for domestic producers and that foreign competitors will suffer accordingly. In looking ahead, the key question is whether production will in fact be held in check. Historically, this has never happened.

The mixing requirement was first introduced in 1936, when Australian tobacco production was only about 6 million pounds, one-third as large as imports. Domestic growers then received about $0.33 per pound.

In the decade following the sharp increases in the mixing requirement in the 1950's, production increased under the stimulus of a conscious government policy of expanding production. Since domestic production was not competitive, protection likewise increased. Between 1950 and 1960 the mixing requirement was raised from 3.0 percent to 28.5 percent for cigarettes. By 1962 it was up to 40 percent. Now, in 1965, it will be progressively increased to 50 percent.

In the 1947-51 period, with the mixing requirement 3.0 percent, the average production was 4.1 million pounds, and in 1949 the average price was $0.54 per pound. But in 1963 the price was $1.26 per pound, over twice the 1949 level, and production was seven times higher than it was in 1949. By comparison, U.S. growers received $0.47 for their flue-cured tobacco in 1949 and $0.58 in 1963.

Australian tobacco consumption has slowly increased, about keeping pace with the rate of population growth. As mixing requirements have increased, prices to growers have increased and imports have fallen.

U.S. sales decreasing

The United States has maintained its relative position against other foreign suppliers, largely because of quality considerations, but has seen its sales decrease by more than a third.

In the last 10 years, annual usings of U.S. tobacco by Australian manufacturers have decreased about 11 million pounds. Next year when the new percentage is in full effect, usage of Australian leaf will have increased about 20 million pounds during the same period.

In fiscal 1965, it is estimated that total usings will be 52 million pounds (redried weight basis), with domestic sources supplying half, or 26 million pounds. This amount is approximately equivalent to about 29 million pounds, farm sales weight basis. Farm marketings according to government estimates will be 26 million pounds, thus

allowing 3 million pounds of excess stocks to be used up. Assuming that farm marketings are held at this figure and that total usings continue to increase at about 1 million pounds per year, present excessive carryover stocks of 13 million pounds (farm sales weight basis) will be worked down to normal commercial levels by the end of the 1967-68 marketing year.

What can be expected

After 1968, if the mixing requirement is held at 50 percent and domestic production is adjusted to reflect this level of usings, foreign suppliers (including the United States) could be expected to export about 30 million pounds (the 1962-63 level) by 1973.

However, if domestic production and usings are stabilized at 26 million pounds (farm sales weight) and the mixing requirement is adjusted to reflect the fact, foreign suppliers could regain their 1962-63 level (30 million pounds) of exports in 1969.

In either case, it would take a number of years to regain the level of trade of 1962-63; and that level was below 1956-57 by 11.5 million pounds or 28 percent.

The Australian Government's decision to further deliberalize its trade was strongly protested by the United States through the appropriate diplomatic channels. The protests received consideration but did not change the Australian decision.

In addition to the annual marketing quota of 26 million pounds for Australian growers, the stabilization plan provides for a minimum average price of 125 pence (US$1.17) per pound. The program will be operated by a Commonwealth Board made up of 12 members—4 growers, 4 manufacturers, and 4 government members. Although the necessary enabling legislation is yet to be enacted, the plan has been approved by the Cabinet. Other than the quota, however, details of the control mechanism are not yet known.

TRENDS IN AUSTRALIA'S TOBACCO MIXING REQUIREMENT, PRODUCTION, AND PRICE, 1947-66

Year or period[1]	Mixing requirement for cigarettes	Leaf tobacco production[2]	Average price
	Percent of domestic leaf	*1,000 pounds*	*U.S. dol. per pound*
Average:			
1947-51	3.0	4,106	[3]$0.54
1952-56	7.0	6,927	1.15
Annual:			
1957	12.5	8,709	1.16
1958	15.5	11,567	1.16
1959	22.0	13,970	1.24
1960	28.5	19,068	1.28
1961	35.0	29,212	1.05
1962	40.0	24,531	1.31
1963	40.0	28,400	1.26
1964	41.5	31,200	1.19
1965	43, 45, 47	(4)	(4)
1966	50.0	----	---

[1] Year of sales. [2] Farm sales weight. [3] Price for 1949 sales. [4] Not available.

ESTIMATED USINGS OF TOBACCO BY AUSTRALIAN MANUFACTURERS, FISCAL YEARS 1957-65

Year ending June 30	Mixing requirement for cigarettes	Imported		Domestic	Total usings[1]
		U.S.	Total		
	Percent of domestic leaf	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*
1957	12.5	28.1	41.6	5.3	46.9
1958	14.5	29.1	40.6	7.2	47.8
1959	15.5	27.8	39.7	8.8	48.5
1960	22.0	26.6	37.8	11.5	49.3
1961	28.5	25.5	37.0	14.7	51.7
1962	35.0	20.2	31.4	18.0	49.4
1963	40.0	18.6	30.1	20.0	50.1
1964	40.0	18.0	30.0	21.0	51.0
1965	41.5	17.0	26.0	26.0	52.0

[1] Redried weight basis.

Data for fiscal years 1957-63 are based on published data for imports cleared for consumption, and as such, indicate usage. Data for 1964 and 1965, estimated.

Plan's effectiveness doubted

These new developments have occasioned widespread concern in the United States. The long history of Australia's domestic policy has been one of increasing disadvantage to the United States; our tobacco exports are currently $9 million smaller than they were 10 years ago. American tobacco growers and the trade have expressed doubt in the ability of the plan to stop the production spiral and hold the mixing requirement at a level which would enable the United States to reverse the downtrend in exports. The key question—whether a turning point has in fact been reached—will receive the close attention of the U.S. Government and the organizations concerned.

U.S. Meat Product Exports to EEC Reported

U.S. exports of livestock and meat products to the six EEC countries—spurred by increased demand due to short supplies within the EEC—hit a new postwar record in 1964. Shipments exceeded $115 million, 43 percent more than the $80.6 million of 1963 and about 10.8 percent above the previous high in 1959, $102.6 million. Variety meats, tallow and greases, and hides and skins registered the largest dollar increases.

Tallow and grease exports rose 27 percent to $42.9 million, with sharp gains for all countries.

Exports of variety meats amounted to $32.5 million in 1964, up $11.3 million from 1963. France became the leading market for the first time with imports from the United States of $12.4 million—$5.6 million above those in 1963. The Netherlands and West Germany increased their purchases by $3.2 million and $1.3 million, respectively, while increases in imports by Belgium ($900,000) and Italy ($300,000) were smaller.

The value of hides and skins shipments rose 73 percent to $24.6 million, with purchases by West Germany, Italy, and France more than doubling. Accounting for $9.8 million and $9.6 million, respectively, the Netherlands and Germany remained the largest EEC markets.

A marked increase occurred in pork, which rose to $8.6 million in 1964 from $2.1 million in 1963. This increase was due mainly to purchases by France, at $4.4 million, and the Netherlands, at $2.9 million, which consisted largely of frozen pork during the first half of the year when price relationships were exceptionally favorable.

U.S. shipments of beef and veal increased to $1.1 million from $200,000. France and the Netherlands were the largest markets.

Shipments of livestock—almost entirely cattle and calves to Italy—rose from almost none in 1963 to $800,000.

The Netherlands, followed by West Germany, remained the Community's largest importer of livestock and meat products from the United States. However, French imports from the United States showed the largest gain—by 125 percent—to $21.4 million in 1964 from $9.5 million in 1963, mainly from increases for pork, hides, and tallow.

U.S. Rice Exports to Japan Higher for Second Year

The United States in 1965 has continued as a major supplier of rice to Japan for the second successive year, thus far contracting to supply that country with about 1½ times as much as in 1964.

U.S. rice exporters in the southern States have contracted for the sale of 50,000 metric tons of Nato rice, marking the first time Japan has taken this type from the United States. Also purchased this year were 38,000 metric tons of California Pearl and 80,000 of California Rose, making a total contracted, so far, of 168,000 metric tons. It is even possible more U.S. rice will be taken this year.

Since the mid-50's, the United States had supplied Japan with very little rice, until last year. Explanation for this year's large Japanese imports, in addition to continually rising demand, lies in a 1964 Japanese rice crop below expectations.

Once Japan ranked among the world's leading rice importers, with foreign purchases averaging about 1 million metric tons yearly for 1953-56. Then, because of rapidly rising domestic production, imports fell, by 1961 reaching a low of less than 130,000 metric tons.

The United States, which had enjoyed a large share of the Japanese market of the early 1950's, by 1956-60 had already dropped back to 4,100 out of a total 412,800 metric tons purchased abroad. For the next 3 years, the United States provided virtually no rice to Japan, for dominating this meager Japanese market as suppliers were developing countries of nearby Asia, outlets for growing Japanese industrial production.

Rice production increases

Behind the drop in Japanese rice imports was rising domestic production, encouraged by favorable government price supports. The three largest rice harvests in Japan's history had taken place in 1962, 1960, and 1963, in that order. For 1964, however, rice production fell off nearly a quarter million tons from the 1963 harvest. At 12.6 million metric tons (brown rice basis), the 1964 crop was still the fourth largest on record.

The smaller 1964 harvest resulted from weather conditions. Continued cold on Hokkaido during late summer and early fall, and a typhoon in central Japan in September, were followed by prolonged rains throughout most of the country late in September and early in October.

For the 1964 crop, the government increased the support price—an incentive to production—by 13.6 percent, to Y15,001 per 150 kilograms (approximately $41.67 per metric ton) of brown rice. Beginning January 1965, the government also raised the price to consumers of rice by an average of 14.8 percent, which the Japanese Food Agency estimates will increase cost of rice an average of Y270 (75¢) per month per family of four. (The Food Agency, part of the Ministry of Agriculture and Forestry, controls trade in rice, both foreign and domestic.)

The Agency does not expect consumption to be materially affected. On the other hand, it estimates that even with the increased consumers' price a net loss of Y107 billion ($304 million) in the government's Food Account will result from purchase and sale of domestic rice.

Of total 1964 production, the Food Agency expects to collect over half, at 6.9 million metric tons, for resale through its urban rice rationing programs. The balance, 5.7 million, will be retained by farmers for their own use, with a small portion flowing into nongovernmental marketing channels.

JAPAN: SUPPLY AND DEMAND FOR RICE
[In terms of brown rice]

	1962-63[1]	1963-64[1]	(Forecast) 1964-65[1]
SUPPLY	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
Stocks, April 1:			
Indigenous rice	8,392	8,300	7,965
Imported rice	125	95	71
Total[2]	8,517	8,395	8,036
Production	13,009	12,812	12,582
Imports	182	239	[4]450
Total supply	21,708	21,446	[4]21,068
DISTRIBUTION			
Consumption:			
Food:[3]			
Indigenous rice	12,178	12,222	[4]12,150
Imported rice	125	109	[4]250
Total	12,303	12,331	12,400
Manufacturing:			
Indigenous rice	556	543	[4]580
Imported rice	89	154	[4]125
Total	645	697	705
Seed	98	101	100
Animal feed	20	32	20
Waste	249	249	249
Total consumption	13,313	13,410	13,474
Stocks, March 31	8,395	8,036	[4]7,594
Total distribution	21,708	21,446	21,068

[1] Japanese fiscal year, beginning April 1. [2] Includes stocks held by Food Agency and producers' stocks; excludes stocks from new crop. [3] Based on actual data estimated from surveys of the Food Agency. [4] Estimates.

Compiled from MAF and Food Agency statistics and from attache's estimates.

Demand for all kinds of rice has grown steadily in Japan as a result of natural population increases and economic growth of the country. This increase is expected to continue for some time.

On October 1, 1964, Japan's population was 97,190,000, or 1,031,000 more than just a year earlier, according to government statistics. In recent years, this figure has risen at an annual rate of 0.9 to 1.07 percent. Population is expected to pass the 100 million mark by 1967, and reach a peak of about 120 million early in the next century.

Per capita consumption rises

During the 3-year period, 1961-63, rice consumption per capita increased considerably, compared with 1951-55 and 1956-60 averages. Per capita use for food per day was: 9.88 ounces in 1951-55, 10.98 ounces in 1956-60, and 11.16 ounces in 1961-63.

In addition to use for food, consumption of rice in sake (rice wine) brewing is also rising steadily. The volume of sake consumed in fiscal 1958 was about 600,000 kiloliters (2,272 gallons). Five years later, in 1963, consumption had nearly doubled.

Total consumption of rice for all purposes has increased 100,000-150,000 metric tons a year, recently.

Britain's Farm Imports From the U.S. at $470 Million

Taken as a whole, U.S. farm products retained a firm place in the United Kingdom's import market in calendar year 1964.

Grain and lard imports showed striking gains. Tobacco's poor showing was the main factor in keeping the import total around the 1963 mark.

The 1964 value of U.S. agricultural products imported by the United Kingdom was $474,320,000—an increase of $6,160,000 from 1963, but $13,720,000 below the relatively high value of 1962 imports. (The British import figure for U.S. farm products comes close to the U.S. figure for exports to Britain, preliminarily estimated at $439,806,000 for 1964.)

The value of imports from the United States would be higher if certain shipments were not excluded from the statistics. For example, sizable shipments of soybean meal and oil made from U.S. soybeans are excluded from the valuation. Because the U.S. beans went to Canada and were processed there, the products thereof are regarded by Great Britain as imports from Canada. Also excluded are certain U.S. grain transshipments sent to Britain via Dutch and Belgian ports.

As a percentage of all U.K. agricultural imports (about $5½ billion), U.S. farm products made up 8.4 percent. Despite the rise in value that this represented, the U.S. share of the British farm market amounted to a little less than it did in 1963.

Corn leads grains

The United Kingdom took well over 28 percent—$160 million worth—of its total grain imports from the United States in calendar '64.

On a commodity basis, *corn* led the list as the largest individual item Britain imported from the United States in 1964. The volume was about 78 million bushels (with a value of $122 million), and the U.S. share of Britain's corn imports was 57 percent by quantity and 56 percent by value. This was marginally higher than in 1963 but well below the performance for 1962, when imports of U.S. corn reached nearly 124 million bushels and the U.S. share of the market was nearly 68 percent.

Elsewhere in the grains sector there was a good increase in imports of U.S. *wheat*. These went up to 340,000 metric tons, compared with only 244,000 metric tons in 1963; and the U.S. share of Britain's wheat imports was close to 9 percent, against only 6 percent the previous year. In value, the wheat imports rose from about $18 million to nearly $26 million.

Rice doing well

Further progress was made in the market for U.S. *rice*. While total British rice imports slid slightly, shipments from the United States in calendar 1964 were maintained at the 1963 level—100.8 million pounds, valued at $70 million; in volume, they constituted about 43 percent of the country's total rice imports. The U.S. share was around 41 percent in 1963, a little over 33 percent in 1962, and only 25 percent in 1961.

Imports of U.S. *sorghums* fell away slightly in 1964 along with a shippage in total imports of these products. However, the U.S. share actually increased slightly to nearly 26 percent, in value amounting to $3.6 million.

Tobacco runner-up

Tobacco was the second most important individual farm product that Britain took from us last year. Shipments came to about 124 million pounds, making up over 39 percent of Britain's total tobacco takings. This was 5 percent less than in 1963 but better than the 1962 share. In value, the 1964 U.S. share of the British market was nearly 46 percent, or $117 million.

U.S. *lard*—in third place—overwhelmingly dominated the British lard market. Imports of 548 million pounds, valued at nearly $60 million, made up about nine-tenths of British takings. They were 28 percent greater than in 1963 and 58 percent over 1962.

Cotton, for many years the top British import from the United States, recovered some from its very poor 1963 performance. The 1964 imports of 2,562,490 bales (about $34 million worth) were the highest since 1961. Last year's modest revival in Britain's cotton industry helped the U.S. position in that country's market.

Other gains—and losses

In other sectors of our 1964 trade with the United Kingdom there were some gains and some disappointments. Gains were registered in apples, oilseeds, and nuts, but imports of U.S. canned fruits and animal and vegetable oils fell off slightly.

In the oilseed cake and meal sector, where Commonwealth preference is strongly felt, the sharp downtrend of recent years continued to a point where takings from us were negligible. While the United Kingdom's import statistics record large amounts of oilcake and meal coming from Canada, it is well known that much of this originates from soybeans grown on U.S. farms.

—ROBERT N. ANDERSON
U.S. Agricultural Attaché, London

Portugal's Wheat Needs Rise Sharply

Portugal's poor 1964 wheat harvest and the country's rising consumption indicate that import needs during fiscal 1964-65 will have to be stepped up to as much as 330,000 tons, compared with 206,000 in 1963-64.

The 1964 wheat crop is estimated at about 457,000 tons. Consumption appears to have gone over 700,000 tons (excluding seed requirements.)

Of the prospective imports the United States is likely to get an even larger share than last year, when it supplied close to 70 percent. Despite recent sales in the Portuguese market by France and Argentina—reportedly because of better prices—the U.S. share has been nearly 95 percent in the first 5 months of this fiscal year.

Portugal's 1964 crops of all coarse grains, except corn, were well below average. Poorest were rye and barley. Corn production kept up with that of the past 2 years and was nearly 17 percent above the 1955-59 average. However, with the upward trend in corn consumption, more corn will probably be imported this fiscal year than last. Barley, rye, and oats are normally imported in only insignificant amounts, if at all.

India's Food Outlook Brighter as Grain Output Rises

As 1964 gave way to a new year, India's food situation improved. Prospects for spring crops are substantially better than those of a year ago, and the Indian Government anticipates that food grain production will be well above the levels of last year. There is no positive assurance though that the severe supply conditions of last year will not be repeated. Government-held stocks are at very low levels, there is much free money in circulation, and the population continues to grow.

Although the kharif—fall- and winter-harvested—crops of rice and coarse grains are reported to be substantially larger than in past years, they did not rapidly bring about any major improvement in supplies of these commodities in retail outlets. Consequently, consumers in most parts of the country continued to face hardships in obtaining food grains and other essential items of daily consumption at reasonable prices. Indecision on the part of the government in evolving a suitable price and distribution policy and the often contradictory statements by representatives of the Central and State governments complicated the problem to a considerable extent.

Food riots last fall

During October and November, the food situation in the southern States of Kerala and Madras became very serious as a result of the sharp increases in the free market prices of rice and the inadequate supplies in the fair-price food shops. Hastily imposed informal rationing in Kerala without adequate preparation led to the disappearance of commercial stocks of rice from the open market; and public discontent with the government's failure to provide immediate relief manifested itself in large-scale demonstrations and food riots in some urban centers.

Then as the rice position in the southern States eased somewhat during December, the wheat situation in the northern wheat-consuming area—Punjab, Delhi, Uttar Pradesh, and Rajasthan—showed signs of deterioration. Prices of indigenous wheat rose, mainly because local wheat was approaching the lean period and local receipts of imported wheat were lower.

During December the all-India index for the cereal grain group, as a whole, averaged 142, a 5.3-percent decline from the September index but 21.4 percent higher than in December 1963. This decline was accounted for mainly by rice prices falling about 12 percent during the last quarter of the year. The wheat price index, however, was 36.8 percent higher than in December of the previous year, and the pulse price index stood at an alltime high of 195, which was 60 percent higher than in December 1963.

Additional food grains purchased abroad

In the last quarter of 1964 the Indian Government intensified its efforts to procure additional quantities of food grains from overseas sources. Arrangements were concluded for importation of 59,000 tons of rice from Thailand and about 35,000 tons from Cambodia. During November an agreement was concluded with the United Arab Republic for the purchase of 71,000 tons of Egyptian rice, and in January an agreement was entered into with the Government of Pakistan for the importation of 10,000 tons of rice in exchange for coal, railway equipment, and other products. The yearend also witnessed the amending of a Title I, P. L. 480 agreement so as to provide for 130,000 tons of U.S. corn and an additional 50,000 tons of U.S. rice.

At the beginning of 1965 the Food Corporation of India, which is to be the main instrument of the government for the implementation of its price programs, came into being. Initially it will confine its operations to four southern States, Madras, Andhra, Mysore, and Kerala, but will gradually extend them to other parts of the country. In January too, the Indian Government announced the appointment of an Agricultural Prices Commission to advise on agricultural policy and price structure in the context of the need to raise agricultural output.

Production prospects for food grains during the current agricultural year, 1964-65, are very promising. According to preliminary estimates, rice may reach a record level of about 39 million tons, 2.5 million more than in 1963-64. Other kharif food grain crops are expected to show an increase of about 1 million tons over the previous year, and the spring-harvested crops of wheat, chickpeas, and barley are also reported to be quantitatively better because of the larger moisture content in the soil.

The current outlook is that while the rice supply and price position may not pose any serious problems for the next few months, the position with regard to wheat and pulses will remain difficult until about April or May, the time of the new harvests.

Outlook for sugar, vegetable oils

With regard to other crops, the sugar supply position showed signs of improvement as the 1964-65 sugarcane crop began to arrive at the mills and the crushing season began. Preliminary estimates indicate that this year's output of sugarcane may be about 10 percent higher than the 1963-64 harvest of 101.6 million metric tons.

According to present plans, exports of factory sugar during the current season will be between 200,000 and 300,000 tons, of which about 90,000 tons are expected to be shipped to the United States. Last fall, India became a member of the Commonwealth Sugar Agreement, under which it has been allotted a negotiated price quota of 25,000 tons for export to the United Kingdom in 1965.

The tight supply position of vegetable oilseeds and oils has persisted as the result of a substantial decline in the harvests of sesame, rape, and mustard seeds last fall, but the outlook is for considerable improvement during 1965. The current peanut harvest is estimated at about 6 million tons of nuts in shell compared to 5.4 million tons last year, and the flaxseed, rapeseed, and mustardseed crops are expected to be as large as the good crops of 1962-63.

Apart from the favorable crop prospects this season, the present tight supply position is likely to be relieved because of the government's decision not to allow the export of peanut oil and peanuts. Also, the arrival of U.S. soybean oil and cottonseed oil in the coming months will help somewhat in meeting the needs of the vanaspati industry, which normally depends heavily on peanut oil.

—V. M. TANDON
Office of U.S. Agricultural Attaché, New Delhi

U.S. Cattle, Swine, and Feeds Being Featured At Japan's First International Livestock Show

Purebred U.S. dairy and beef cattle and swine will be exhibited at Japan's International Livestock Show in Chiba Prefecture, April 10-May 10 in this country's first big promotion of its registered livestock in Japan.

Three U.S. feedstuffs groups, all of which carry on intensive promotion in Japan, will cooperate in an exhibit demonstrating the value of feed grains, soybean meal, and tallow in high-energy livestock feeding.

U.S. livestock producers have previously concentrated their promotional efforts in Japan on annual visits by U.S. livestock marketing teams—visits which have successfully spurred interest and purchases of U.S. breeding animals. Now, U.S. livestock interests are seizing the opportunity offered by Japan's first livestock exhibition to showcase quality U.S. breeding stock in this increasingly competitive and expanding market. Canada, Great Britain, Australia, and New Zealand will also exhibit.

An estimated 500,000 people will attend the international show. Many of Japan's prominent livestock producers are expected, as well as Ministry of Agriculture officials, the Central Livestock Council, and such Japanese producer groups as the Holstein Registration, National Native Type Cattle, Swine Registration, and sheep associations. Personnel from prefectural and central government research stations—who represent a large potential buying group—will also attend.

Seventy pedigreed U.S. animals will be shown: 13 Angus, 13 Hereford, and 14 Jersey cattle, and 10 each of Landrace, Hampshire, and Yorkshire swine. At the request of show sponsors—who agreed to underwrite a minimum guaranteed sale price for animals exhibited—they are medium-priced, typical representatives of their breeds.

Representatives of the American Jersey Cattle Club, the American Angus Association, and the American Hereford Association will staff the U.S. exhibit. They will provide first-hand information on characteristic breed features and the merits of cross-breeding U.S. animals with Japan's native Wagyu cattle (a 2,000-year-old multi-purpose type) to increase milk and meat productivity. Cross-breeding with U.S. animals has already been tried on a limited scale by government research personnel with successful results.

Informational brochures on all livestock—prepared by the U.S. livestock interests in cooperation with FAS—will be translated into Japanese and distributed.

Participating in the U.S. feeds exhibit are the U.S. Feed Grains Council, the Soybean Council of America, and the National Renderers Association, for each of whose products Japan is an important customer.

Japan in 5 years' time has grown from a $15-million market for U.S. feed grains and dehydrated alfalfa to a No. 1, $150-million market in 1964; it is also biggest buyer of U.S. soybeans ($154 million) and of tallow ($32 million). Even larger imports of these feedstuffs will be necessary if Japan is to realize the efficient livestock production the country is determined to achieve.

The Government of Japan is making an all-out effort to increase meat and dairy products production, not only through increased livestock numbers, but in efficiency of animals fed. Reaching these goals might well mean a continued high level of imports of U.S. feedstuffs, plus greater imports of U.S. breeding stock.

Behind this drive lies the government's program to up farm income and supply more protein foods for the consumer. Farm income generally has not kept pace with nonfarm income, a serious problem which diversification into the livestock field is expected to alleviate. Greater livestock productivity would also help curb high prices for meat and milk brought on by heightened consumer demand and lagging supply.

Over the past 2 years, Japan has increased purchases of U.S. dairy and beef cattle. However, competition with the United States for this market is stiffening from many other world exporters—whose sales benefit substantially by lower transportation costs.

National Canners Wins "E" Award for Export Expansion Work

Cited recently for helping reduce foreign trade barriers to U.S. food products was the National Canners Association, Washington, D.C.-based group representing most U.S. processors of canned food. At "E" Award ceremonies were: (l-r) FAS Assistant Administrator David L. Hume, Under Secretary of Commerce Franklin D. Roosevelt, Jr., and NCA officials Milan D. Smith and Leonard K. Lobred.

Promotion Program for U.S. Peas, Lentils Begins in Tokyo

Japan is one of three countries named as initial targets in new market development program aimed at increasing present $16-million exports of U.S. dry peas and lentils.

A new market development program to expand U.S. exports of dry peas and lentils—with an initial goal of three countries—begins next week with the industry's participation in the Tokyo International Trade Fair, April 16 through May 6.

The new agreement, signed late last month by FAS and the Pacific Northwest Pea Dealers and Growers Association, calls for promotion in Japan, Peru, and West Germany. These three countries in 1963-64 ranked among the top three markets in their respective continents and recent surveys indicate sales could go much higher with promotion.

To administer the program in cooperation with FAS is a seven-man committee representing the growers associations in Idaho and Washington, as well as the Pacific Northwest. This area produces 95 percent of U.S. dry peas and all the lentils.

Exhibit at Tokyo fair

At the Tokyo fair, the Northwest booth, as part of the Washington State exhibit, will feature consumer-size packages of dry peas and lentils and various end-products. In a conference area, Japanese importers, processors, and members of the institutional trade will be invited to sample dishes made with these pulses. Modern processing and production techniques for U.S. peas and lentils will be dramatized in color photographs.

If consumer and trade reactions to the exhibit are as favorable as expected, a complete market survey may then be made in that country to determine ways of expanding U.S. sales.

Japan is considered the fastest growing market in the Orient for U.S. dry peas and a developing outlet for U.S. lentils, with the country buying its first shipment of the latter in 1964.

Since 1960-61, U.S. pea exports to that country climbed from 40 metric tons to almost 2,000 in 1963-64. This year they may well go higher, with Japan forecasting another decline in pea production and increased imports of 12,000 metric tons during the October 1964-September 1965 period. Principal supplier Mainland China also expects a short crop at the same time that U.S. production is at high levels and prices are competitive.

According to the U.S. Agricultural Attaché in Tokyo, increased consumption of the popular azuki bean paste—now the major end-use for dry peas in Japan—offers the most immediate potential for U.S. dry peas. Though there are now virtually no canners of dry peas as such, Japanese canners of other products might well become interested in processing dry peas if a reasonable market potential could be demonstrated.

U.S. prices competitive

Large availabilities of U.S. peas and lentils at competitive prices should prove an asset to market expansion.

Four months after the 1964 pea harvest, U.S. stocks were an estimated 2.9 million bags against 1.7 million at the same time in 1961. F.o.b. prices, reflecting these increases, have dropped by one-third since 1958.

Lentil stocks reached 375,000 bags on December 31, 1964, a sharp increase from the 1961 figure of 83,000 bags. The United States had been a net importer of lentils until the early 1960's when Chile and Argentina, chief suppliers for the Western Hemisphere, were badly hit by rust and U.S. lentil producers stepped up output to capitalize on high prices.

The U.S. market has been unable to absorb these production gains. Pea consumption is fairly static and has yet to exceed 1 pound per capita, a situation that is traceable in part to limited research in finding new food uses for dry peas. As for lentils, many U.S. homemakers have never even heard of them, whereas in Europe lentils are widely consumed.

Export prospects good

To ease the problem, USDA has made both peas and lentils eligible for export under P.L. 480—peas in mid-1962 and lentils this past summer.

It is felt that the export market presents a brighter outlook for U.S. dry peas and lentils, with combined sales of $16 million in the last marketing year (August-July).

U.S. dry pea exports of 107,500 metric tons, an alltime high for dollar exports, were almost double their 1955-59 average and greater than any other country's. Lentil exports totaled 17,400 tons, more than twice the 1960-61 figure.

Bigger sales with promotion

These could do even better with aggressive promotion.

For dry peas, likely focal point would be foreign canners. Good results achieved by U.K. canners—using U.S. peas for the past 10 years—could be duplicated in other countries, particularly with technical know-how being supplied to help them build up their canning industries.

This especially applies to the major pea-importing countries in the European Economic Community and Latin America — Brazil and Venezuela — which have only recently begun to reconstitute dry peas for canning. Canned fresh peas, which now account for most of Latin America's consumption, are priced out of reach of the average buyer.

Biggest purchaser of U.S. peas is the United Kingdom, followed by Venezuela and West Germany.

Contenders in world markets

U.S. peas' principal competitor in world markets is Dutch blue peas, although foreign canners by and large prefer U.S. Alaskan peas for such characteristics as low moisture content and small size. Steady availability has also spurred sales, now that more and more foreign users are marketing brand name peas and must maintain a uniform product.

Plans for lentil promotion are less firm than for dry peas, with the U.S. lentil industry now working to develop seed strains that will better meet buyer specifications. Research currently centers on developing a larger green lentil —in great demand throughout Western Europe—and a pink lentil preferred in the United Kingdom.

Major U.S. lentil importers are West Germany, France, the Netherlands (for re-export) and a few countries in Latin America.

Competition comes from Lebanon, Turkey, Spain, Chile, and Ethiopia. None are consistently big exporters.

Spanish Olive Production Declines

Spain's 1964-65 pickled olive pack estimated at 39,700 short tons, is down 44 percent from the previous year because of low yields and heavy fly infestation. A sharp drop in the production of olives exported to the United States more than offset an increase in the production of varieties exported to other countries. Western Andalusia remained the most important producing area accounting for nearly 60 percent of the total production.

The entire 1964-65 pack of Manzanilla and Queens and the ending stocks from last year's pack are expected to be exported to the United States and Puerto Rico this season. Coupled with increased exports of other varieties, this may bring Spain's total 1964-65 olive trade to around 45,000 tons as against 50,100 in 1963-64.

SPAIN'S SUPPLY AND DISTRIBUTION OF PICKLED OLIVES

Variety	Beginning stocks	Production	Total supply
SUPPLY	*Short tons*	*Short tons*	*Short tons*
1963-64 (revised):			
Manzanilla and similar	500	25,400	25,900
Queens	---	33,000	33,000
Total exportable to the United States	500	58,400	58,900
Other varieties exportable to other countries	5,500	12,400	17,900
Total olives	6,000	70,800	76,800
1964-65 (preliminary):			
Manzanilla and similar	10,200	9,700	19,900
Queens	6,800	2,400	9,200
Total exportable to the United States	17,000	12,100	29,100
Other varieties exportable to other countries	5,600	27,600	33,200
Total olives	22,600	39,700	62,300

DISTRIBUTION	Exports	Domestic Consumption	Ending Stocks
1963-64 (revised):			
Manzanilla and similar	14,600	1,100	10,200
Queens	26,000	200	6,800
Total exportable to the United States	[1]40,600	1,300	1,700
Other varieties exportable to other countries	9,500	2,800	5,600
Total olives	50,100	4,100	22,600
1964-65 (preliminary):			
Manzanilla and similar	19,300	600	---
Queens	9,100	100	---
Total exportable to the United States	28,400	700	---
Other varieties exportable to other countries	17,100	4,100	12,000
Total olives	45,500	4,800	12,000

[1] 1963-64 "exportable to U.S." varieties omit 3,500 tons shipped to Canada.

NOTE: "Exportable to the United States" varieties are those considered by the Spanish Government suitable for the United States, Canadian and Puerto Rican markets only; other exportable varieties are shipped elsewhere.

According to Spanish export statistics, 40,376 tons or over 80 percent of Spanish exports, went to the United States in 1963-64. If present estimates of the quantity suitable for export to the United States materialize 1964-65 shipments to this country will be off sharply.

Spanish trade sources believe that export prices for the first 3 months of the season (December 1964 through February 1965) have not reflected the relatively short supply because foreign buyers have had a "wait-and-see" attitude as to the actual size of the crop. Spanish packers and exporters believe prices will climb rapidly when the extent of the pack reduction is known.

A comparison of average export prices for specified periods in 1964 and 1965 is given below (in U.S. cents per pound):

Type	*Oct. 1964*	*Feb. 10, 1964*	*Dec. 1, 1964-Feb. 28, 1965*
Manzanillas, whole	--	--	25-26
Manzanillas, stuffed	27-32	23	36-38
Queens, whole	24-25	16	27-28
Queens, stuffed	33-34	26	37-38

West German Import Tender for Canned Cherries

West Germany has announced an import tender for canned cherries, with or without sugar and in containers less than 4.5 kilograms, from the United States and Canada. The value limit of the tender is DM1,000,000 (almost $250,000).

Applications for cherries without sugar must be separate from those for cherries with sugar, and only importers who had licenses under the last tender may apply. These applications must be filed by April 2 and licenses will be valid until May 15, 1965.

Canned Fruit Pack Increases in South Africa

According to preliminary estimates, South Africa's 1965 canned fruit pack is larger than the previous one.

Canned apricot production is forecast at 925,000 cases, a 36-percent increase over 1964 and 12 percent over 1963. The United Kingdom may import as much as 700,000 of the estimated 850,000 cases to be exported by South Africa in 1965. Exports in 1964 totaled 608,000 cases.

Peaches (almost exclusively Clingstone) may approximate 4 million cases—up 581,000 cases from 1964. Exports in 1965, principally to the United Kingdom, are expected to rise 15 percent to 3,660,000 cases from the 3,192,000 cases exported in 1964.

Reportedly, the current canned pear pack may total 1,085,000 cases—substantially below last year's output of 1,318,000. The United Kingdom may import as much as 750,000 cases of the 785,000 cases forecast to be exported in 1965—down 172,000 cases from 1964. That year, South African canned pear exports totaled 961,000 cases, of which 922,000 went to the United Kingdom.

Record Australian Canned Fruit Pack Forecast

Australia's 1965 canned fruit pack has been tentatively estimated at a record 7.7 million cases—up 89,000 cases from 1964.

The 1965 canned peach production appears to be headed for a record level of 3.5 million cases—167,000 over 1964 production. Exports to the United Kingdom are forecast at 1,500,000 cases—down slightly from the 1,541,000 cases shipped there in 1964. Other foreign markets are expected to account for 450,000 cases of Australia's 1965

canned peach exports, as contrasted with 324,000 and 166,000 in 1964 and 1963, respectively.

Canned apricot production may reach 790,000 cases—an increase of 347,000 over 1964. Larger fresh supplies were made available to canneries, mainly because of higher minimum prices.

Exports of canned apricots may increase slightly from 203,000 cases in 1964 to 210,000 in 1965. The United Kingdom may import 130,000 cases, or slightly below the 137,000 cases imported in 1964.

Canned pear production is expected to decline to 2.7 million cases in 1965. Overseas shipments are not likely to be affected because of the large carryover of 1964 fruit and should total approximately 2,150,000 cases.

Australian production of canned mixed fruits will continue its upward trend and may total 700,000 cases in 1965. Significant increases are anticipated for fruit cocktail and two-fruit packs. If the present forecast is realized, exports will reach 420,000 cases—up 93,000 from 1964 and 219,000 from 1963.

U.K. Lard Imports Up 4 Percent in January

Imports of lard into the United Kingdom in January were slightly higher than in the same month last year. The U.S. share of this market, however, dropped to 86 percent from the 95 percent of January 1964, as all of the increased imports were supplied by continental sources.

Last January, continental supplies were short and prices higher because of slaughter hog shortages. The situation is now reversed with hog supplies at near record levels in most European countries and lard supplies in excess of national needs. Thus, there is increased competition for U.S. lard in its most important foreign outlet.

The effects of the U.S. dock strike will probably become apparent when February import statistics become available; most January imports had cleared U.S. ports before the strike began.

U.K. LARD IMPORTS

Country of origin	January 1964		January 1965	
	Quantity	Percent of total	Quantity	Percent of total
	1,000 pounds	*Percent*	*1,000 pounds*	*Percent*
United States	44,864	94.7	42,711	86.2
Belgium	278	.6	2,169	4.4
Denmark	1,096	2.3	2,105	4.3
Netherlands	131	.3	860	1.7
France	711	1.5	858	1.7
Sweden	199	.4	519	1.1
Others	106	.2	307	.6
Total	47,385	100.0	49,529	100.0

Henry A. Lane & Co., Ltd.

Japan Imports More U.S. Packinghouse Products

Japanese imports of U.S. cattle hides, calf skins, tallow, lard, and hog grease increased in 1964, but the dollar value of hides and skins imported was less than in 1963 because of lower unit prices.

Rising demand within Japan for leather products was reflected in that country's record imports of cattle hides and calf skins. Its takings from the United States—by far the largest supplier—were up to a new high of 117,700 metric tons from 103,300 in 1963, and the U.S. share of the market rose to 78 percent from 72.

Japanese imports of U.S. tallow increased 26 percent to a record 163,300 metric tons in 1964, upping the U.S. share of the market to 85 percent from 77. Tallow usage in the principal products—shortening, margarine, and soap—continued to expand even though import prices averaged somewhat higher than in 1963.

Japan's imports of U.S. lard and hog grease rose by 5,000 metric tons to 32,400 tons, but the U.S. share of the total was off to 77 percent from 81. Increased use of hog grease in the manufacture of shortening has accounted for most of the increase in imports. Use of shortenings is expanding along with the use of wheat flour in bakery products.

JAPANESE IMPORTS OF CATTLE HIDES, TALLOW, AND LARD AND THE U.S. SHARE OF THIS TRADE

Item	Quantity		Value	
	1963	1964	1963	1964
	1,000 metric tons	*1,000 metric tons*	*Mil. dol.*	*Mil. dol.*
Cattle hides and calf skins:				
United States	103.3	117.7	34.1	31.9
Total	143.1	149.8	50.1	45.7
U.S. as percent of total	72	78	68	70
Tallow:				
United States	129.8	163.3	21.0	28.3
Total	169.0	192.2	26.9	33.0
U.S. as percent of total	77	85	78	86
Lard and hog grease:				
United States	27.4	32.4	4.4	6.2
Total	33.7	42.2	6.3	9.0
U.S. as percent of total	81	77	70	69

Australian Meat Shipments to the United States

Three ships left Australia during February with 4,448,640 pounds of beef, 743,680 pounds of mutton, and 158,800 pounds of lamb for the United States.

Ship and sailing date	Destination[1]	Arrival date	Cargo	Quantity
	Eastern ports			*Pounds*
Pioneer Star	Charleston	Mar. 19	Beef	38,080
Feb. 15	Norfolk	21	Beef	42,560
	Boston	23	Beef	201,600
	New York	25	Beef	179,200
	Philadelphia	27	Beef	127,680
			Mutton	6,720
	Baltimore	29	Beef	201,600
Hobart Star	Charleston	12	Beef	445,760
Feb. 17			Mutton	257,600
	Norfolk	16	Beef	573,440
			Mutton	98,560
	Philadelphia	17	Beef	344,960
			Mutton	168,000
	New York	19	Beef	1,229,760
			Mutton	112,000
			Lamb	156,800
	Boston	23	Beef	434,560
Pioneer Surf	Charleston	29	Beef	33,600
Feb. 25	Norfolk	31	Beef	136,640
			Mutton	33,600
	Boston	April 2	Beef	168,000
	New York	4	Beef	118,720
	Philadelphia	6	Beef	123,200
	Baltimore	8	Beef	49,280
			Mutton	67,200

[1] Cities listed indicate location of purchaser and usually port of arrival and distribution area, but meat may be diverted to other areas for sale.

Australian Meat Board.

U.S. Imports of Livestock Products Down Sharply in January

U.S. imports of livestock and meat products in January were limited by the longshoremen's strike at east coast and gulf ports. Imports of every class were off sharply

from the levels of recent months as well as of January 1964.

Red meat imports in January were down to about one-half the volume entering monthly during the fourth quarter of 1964 and were down two-thirds from January 1964.

Imports of wool were below those in December but about equaled the average for the 2 preceding months.

Live cattle imports were down sharply from the same month last year and from the average of recent months.

U.S. IMPORTS OF LIVESTOCK PRODUCTS

Commodity	January 1964	January 1965
Red meats:	*1,000 pounds*	*1,000 pounds*
Beef and veal:		
Fresh and frozen, bone-in	2,243	807
Fresh and frozen, boneless	75,456	25,689
Canned, including corned	8,664	2,688
Pickled and cured	22	19
Beef sausage	588	3
Other beef	464	548
Veal, fresh and frozen	1,843	733
Total beef and veal	89,280	30,487
Pork:		
Canned hams and shoulders	11,026	3,405
Other pork	5,723	4,008
Total pork	16,749	7,413
Mutton and goat	7,690	951
Lamb	1,864	26
Other sausage	417	539
Total red meat	116,000	39,416
Variety meats	248	156
Wool (clean basis):		
Dutiable	12,823	8,926
Duty-free	14,561	5,220
Total wool	27,384	14,146
	1,000 pieces	*1,000 pieces*
Hides and skins:		
Cattle	24	26
Calf	37	28
Kip	56	30
Buffalo	30	16
Sheep and lamb	1,031	613
Goat and kid	1,360	377
Horse	68	12
Pig	158	42
	Number	*Number*
Live cattle[1]	57,733	38,616

[1] Includes cattle for breeding.

U.S. Department of Commerce, Bureau of the Census.

Malay, Singapore Exports of Copra and Coconut Oil

Net exports of copra and coconut oil from the Malay States and Singapore in 1964 totaled 9,548 long tons (oil-equivalent basis) compared with 23,099 in 1963.

The Malay States and Singapore—a net importer of copra—exported 5,862 tons of copra in 1964, against 44,754 in 1963; main destinations were India, China (Taiwan), and Iraq. Imports decreased more than two-thirds to 22,083 tons, largely owing to reduced supplies from Indonesia.

The Malay States and Singapore is a net exporter of coconut oil, importing only insignificant quantities—1,368 tons in 1964 compared with 2,146 in 1963. Exports in 1964 decreased by 42 percent to 21,297 tons and went mainly to Burma, the Republic of South Africa, Canada, and North Vietnam.

The sharp decline in the copra and coconut oil trade of the Malay States and Singapore reflects the inadequate supplies of domestic copra caused by a decline of around 20 percent in 1964 commercial production, a reduction in movement of Indonesian copra into the area for re-export and crushing as a result of Indonesia's confrontation policy, and the Singapore State Government's measures to conserve copra supplies by limiting re-exports of copra to 40 percent of import consignments exceeding 20 tons.

TRADE IN COPRA AND COCONUT OIL BY THE MALAY STATES AND SINGAPORE

Continent and country	Copra 1963[1]	Copra 1964[1]	Coconut oil 1963[1]	Coconut oil 1964[1]
EXPORTS	*Long tons*	*Long tons*	*Long tons*	*Long tons*
North America	---	---	[2]4,330	[2]2,139
South America	---	---	779	13
Europe:				
Germany, West	---	---	1,602	---
Italy	2,037	---	3,229	150
Netherlands	2,493	---	304	20
Spain	650	---	460	---
Sweden	---	---	---	---
United Kingdom	---	---	2,122	100
Other	1,200	---	583	831
Total Europe	6,380	---	8,300	3,253
Africa:				
Morocco	---	---	471	---
Mozambique	---	---	336	68
South Africa	---	---	5,968	2,527
U.A.R.	---	---	2,552	572
Other	---	---	2,194	1,595
Total	---	---	11,521	4,762
Asia:				
Aden	---	---	977	1,025
Burma	---	---	805	5,115
Cambodia	213	---	990	967
China, Mainland	---	---	1,700	---
China, Taiwan	2,559	1,251	231	737
Hong Kong	---	---	432	449
India	24,244	1,300	216	---
Indonesia	---	---	901	---
Iraq	2,350	900	1,200	---
Japan	4,617	---	52	---
Pakistan	---	---	1,356	382
Vietnam, North	---	---	1,231	1,606
Other	4,361	2,411	1,200	2,987
Total	38,344	5,862	11,291	13,268
Oceania	30	---	410	14
Grand total	44,754	5,862	36,631	21,297
IMPORTS				
Indonesia	57,645	19,831	721	---
Sabah	3,667	---	15	---
Sarawak	---	62	1,410	1,325
Other	1,232	2,190	---	43
Total	62,544	22,083	2,146	1,368
Net exports	—17,790	—16,221	34,485	19,929
Net exports of copra and coconut oil:				
Copra equivalent	36,093	14,918	---	---
Oil equivalent	---	---	23,099	9,548

[1] Preliminary. [2] All to Canada.
Compiled from official sources.

Moroccan Olive Oil Exports

Morocco's exports of edible olive oil in 1964 totaled 2,483 metric tons compared with 8,336 tons in 1963. Although exports in the first half of 1964 were drastically below those in the comparable period of 1963, they were stimulated by government subsidization in September as a means of securing additional foreign exchange.

There continues to be increasing pressure by some political groups on the government to hasten the Moroccan acquisition of control over the edible oil industry, which is now in the hands of a French-Danish-Moroccan consortium. Although some groups have demanded outright

nationalization of the industry, it is believed that less drastic action will be taken. This is because at present there are not enough skilled technicians available to make possible the sudden elimination of Europeans in management. However, the Ministry of Commerce is attempting to increase the distribution of import quotas to firms under Moroccan management and financial control.

Philippine Exports of Copra and Coconut Oil

Registered exports of copra and coconut oil from the Philippine Republic in January-February (oil-equivalent basis) were 100,568 long tons against 105,516 in January-February 1964, a decline of 5 percent.

Copra exports in February, at 39,413 tons, were the smallest since April 1961. Coconut oil exports were also small—17,915 tons compared with 21,421 in January. However, shipments for the first 2 months were 7,296 tons, or 23 percent greater than those in January-February 1964.

Apart from a seasonal output decline, low coconut output was probably aggravated by the poor nut harvest in many areas as a result of the typhoon in late 1964.

The copra export price in mid-March was $213-$215 per short ton c.i.f. Pacific Coast and $241-$244 per long ton c.i.f. European ports. Local buying prices were reported at 70-71 pesos per 100 kilograms (US$176.20 to US$178.72), resecada Manila, and 65-70 pesos (US$163.61 to US$176.20) in producing areas.

PHILIPPINE REGISTERED EXPORTS OF COPRA AND COCONUT OIL

Country and continent of destination	1964[1]	January-February	
		1964[1]	1965[1]
	Long tons	*Long tons*	*Long tons*
Copra:			
United States	231,215	22,760	47,850
Europe	518,988	90,532	48,450
South America	26,800	---	---
Japan	29,880	2,000	---
Other Asia	500	500	500
Middle East	140	140	---
Total	807,523	115,932	96,800
Coconut oil:			
United States	182,736	24,620	38,047
Europe	41,286	6,360	569
South Africa	2,251	340	---
Japan	99	---	---
Total	226,372	31,320	38,616

[1] Preliminary.

Associated Steamship Lines Inc., Manila.

Japanese Imports and Exports of Fishmeal

Japan's imports of fishmeal in 1964 rose to 102,277 tons from 84,313 in 1963—an increase of 21 percent. Peru and the Republic of South Africa were the main suppliers, accounting for 98 percent of the 1964 total.

JAPAN'S FISHMEAL IMPORTS

Country of origin	1963	1964
	Metric tons	*Metric tons*
Peru	60,316	83,474
South Africa, Republic of	19,565	16,452
United States	101	1,429
Angola	3,678	---
Others	653	922
Total	84,313	102,277

Oils and Fats Export Association and Oils and Fats Import Council, Japan.

Exports of fishmeal in 1964 totaled 6,202 metric tons compared with 3,599 in 1963. The principal buyers of Japanese fishmeal in 1964 were the Ryukyu Islands, Taiwan, and the Philippines.

Argentina's Vegetable Oil Exports Down in 1964

Argentina's exports of edible vegetable oils—cottonseed, peanut, sunflower, and olive—declined from 130,121 metric tons in 1962 to 50,641 in 1963 and then to only 8,166 tons in 1964. This reflected especially the sharply reduced production of peanuts and sunflowerseed in the last 2 years (*Foreign Agriculture*, Nov. 2, 1964). Practically all of the edible oil exported was olive oil; exports of other oils were virtually nil.

Exports of industrial oils also declined sharply in the last 2 years—from 280,518 tons in 1962 to 228,902 in 1963 and 210,531 in 1964. While exports of tung oil were up 15 percent from those of 1963, exports of linseed oil were down by 10 percent.

ARGENTINA'S VEGETABLE OIL EXPORTS

Item	1961	1962	1963	1964[1]
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*
Cottonseed oil	3,953	7,563	2,228	---
Peanut oil	30,821	98,450	36,427	120
Sunflowerseed oil	30,989	14,897	4,352	---
Olive oil	570	9,211	7,634	[2]8,046
Linseed oil	204,355	264,096	212,865	192,123
Tung oil	16,384	16,422	16,037	[3]18,408

[1] Preliminary.
[2] Shipments data from *Boletín Marítimo* show 7,872.
[3] Shipments data from *Boletín Marítimo* show 18,561.
Compiled from *Comercio Exterior*, 1961-63, and *Frutos del País*, 1964.

Uruguay To Import Oilseeds, Edible Oils

Uruguay, traditionally an exporter of sunflowerseed oil and linseed oil, will be an importer of substantial quantities of oilseeds and edible oils this year.

Sunflowerseed and peanut crops have been sharply reduced by drought; as a result, the government has recently announced bids for the purchase of 50,000 metric tons of soybeans (1.8 mil. bu.), 30,000 tons of sunflowerseed, 25,000 tons of shelled peanuts, and 7,500 tons of sunflowerseed, peanut, or soybean oil, crude or refined. Bidding for sunflowerseed and edible oils was scheduled to close April 6, with bidding for the others, April 7.

Prior to this action, Argentina had agreed to export 2,000 tons of refined soybean oil to Uruguay in order to relieve the latter country's oil shortage. These exports will probably be made up of soybean oil which Argentina previously purchased from the United States.

Lebanese Oilseed Production Down, Imports Rise

Lebanon's production of edible olive oil in 1964-65 is now estimated at 7,800 metric tons compared with 10,000 in 1963-64. The estimate is somewhat above the preliminary forecast of 6,800 tons (*Foreign Agriculture*, Dec. 7, 1964). The decline largely reflects the "off year" in the biennial production cycle.

Other edible vegetable oils produced largely from imported oil-bearing materials are expected to rise slightly but remain significantly below production from materials imported in 1962-63. This results in part from the fact

that imports of cottonseed from Syria are limited because of action by the Syrian Government. According to trade sources, the shortage of cottonseed oil in domestic markets will be supplemented by imports of butter and refined animal fats.

To further encourage olive oil exports, the Lebanese Government since December 1964 has been permitting olive oil to be exported without the usual requirement of an export license. Although domestic prices are currently somewhat above those in world markets, it is believed that olive oil exports may increase to about 2,000 tons in 1964-65 from 1,000 in 1963-64. Most of the oil exported in 1962 went to Italy.

Lebanon is again expected to be a net importer of cakes and meals, as it was in 1963-64. This reflects the marked reduction in domestic availabilities caused by the decline in crushings of imported cottonseed, as well as the greatly expanded requirements of the growing domestic poultry industry. Lebanon's imports of protein concentrates totaled an estimated 13,000 tons in calendar 1964 compared with 12,000 and 10,900 in 1963 and 1962, respectively. Cottonseed and soybean cakes and meals account for virtually all of the total.

LEBANON'S OILSEED, OIL, AND OILCAKE PRODUCTION AND TRADE

	Production[1]		Imports[1]		Exports[1]	
	1963[2]	1964[3]	1963[2]	1964[3]	1963[2]	1964[3]
Commodity	*1000 metric tons*	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*	*1000 metric tons*	*1,000 metric tons*
Oilseeds:						
Cottonseed	.4	.4	21.0	25.0	---	---
Copra	---	---	2.5	2.3	---	---
Peanuts	1.6	1.7	.3	.3	.1	.1
Olive	50.0	35.0	1.0	.5	---	---
Sesame	.4	.5	3.3	3.5	---	---
Flaxseed	---	---	1.7	2.0	.5	.2
Vegetable oils:						
Olive, edible	10.0	7.8	---	---	1.0	2.0
Cottonseed	3.1	3.4	---	---	---	---
Coconut	1.3	1.3	.5	.5	---	---
Peanut	.2	.2	---	---	---	---
Sesame	2.7	3.0	---	---	---	---
Linseed	.4	.5	.1	.1	---	---
Olive, sulfur	1.0	.5	---	---	.4	---
Oilseed cakes:						
Olive	14.0	8.6	---	---	---	---
Cottonseed	17.6	19.1	8.7	6.0	---	---
Coconut	.9	.9	---	---	.9	.9
Peanut	.4	.3	.5	.5	---	---
Linseed	.4	.5	.1	.1	---	---

[1] Marketing year beginning October 1. [2] Preliminary. [3] Estimated. Compiled from official and other sources.

Peruvian Exports of Fish Oil Rise

Peru's 1964 exports of fish oil (crude and semirefined anchovy oil) totaled 133,600 metric tons as against 110,000 in 1963—an increase of 21 percent.

The Netherlands accounted for 69,200 tons, or 52 percent of total exports, compared with 56,400, or 51 percent, in 1963. Exports to Western Germany increased 1,800 tons to 22,000; those to Denmark, 9,500 to 15,700; and those to Colombia, 6,200 to 14,100. Exports to the United Kingdom declined 12,900 tons to 1,400.

Nigeria Opens First Sugar Factory

The Bacita Sugar Factory of the Nigerian Sugar Company Limited was opened officially on February 20. The first sugar refinery to be built in Nigeria, it is expected to produce about 10,000 long tons (11,200 short tons) of white granulated sugar this year and possibly its full capacity of 30,000 tons the following year.

The Bacita factory's production is intended to replace a portion of Nigeria's sugar imports—now totaling about 60,000 long tons (67,200 short tons) per year—with a homegrown, domestically refined product. However, the imports may not be reduced significantly, as consumption is expected to increase about 40 percent by 1970.

Cane for the new plant is being grown on a plantation just alongside the Bacita factory. A total of 7,800 acres of land has been cleared, and 5,000 acres have been planted for harvesting this season.

Malaysia's Pepper Trade Smaller

Because of the trade embargo with Indonesia, imports of black and white pepper into the States of Malaya and Singapore during January-November 1964 totaled only 22 million pounds, compared with 66.3 million for the similar period in 1963. Imports from Indonesia, formerly the largest supplier of Malaysia's entrepôt trade, amounted to a mere 549,000 pounds, against 51.3 million pounds during the same 11-month period the year before.

Re-exports during the first 11 months of 1964 totaled 30.5 million pounds, less than half the amount shipped during the same 1963 period. However, 1964 pepper exports from Sarawak—the largest pepper producer among the Malaysian States—amounted to 27.1 million pounds, up 1.5 million from the preceding year.

Prior to the break in relations with Indonesia, Singapore merchants handled about one-third of the world pepper trade.

Tanzania's Clove Exports Decline

Clove exports from Tanzania during 1964 totaled 17.9 million pounds, down sharply from 1963 shipments of 25.1 million but still above the 1962 level of 17 million.

The smaller exports are attributed to reduced buying by Indonesia, which took only 4.9 million pounds, compared with 11.1 million in 1963. However, Sino-Soviet purchases increased; Mainland China bought 616,000 pounds, compared with 305,000 pounds in 1963, and the USSR bought 1.1 million pounds.

Although Tanzania is by far the world's largest clove producer, the United States buys nearly all of its clove requirements from the Malagasy Republic.

Grenada's Nutmeg and Mace Exports Down

Exports of nutmeg and mace from Grenada—the world's second largest producer—in 1964 fell to 1.6 million pounds from 2 million in 1963. Unfavorable weather reduced the 1963-64 harvest, and production thus far during the current season has been disappointing.

Nigeria and Brazil Export More Cocoa Beans

According to preliminary statistics, cocoa bean exports during 1964 from Nigeria and Brazil were up 12 and 7 percent respectively from 1963.

Nigeria exported a record 199,345 metric tons of cocoa beans with shipments to the EEC up nearly 39 percent to 92,972 tons. However, exports to the United States and the United Kingdom at 26,958 and 47,030 tons respectively were down from 1963. The USSR bought 8,230 tons of

cocoa beans, the first purchase since Nigeria received its independence in 1960; that year the Soviets bought over 9,500 tons.

Brazilian cocoa bean exports amounted to 73,727 tons, compared with 68,685 during the previous year. Shipments to the United States totaled 33,067 tons, down significantly from 41,961 in 1963. Exports to the USSR rose sharply to 16,197 tons, nearly triple 1963 shipments.

Ecuador Expanding Pyrethrum Industry

Ecuador's pyrethrum exports during 1963 earned over $1 million in foreign exchange, compared with slightly over $400,000 in 1962. Nearly all of the pyrethrum extract goes to the United States, while most of the crude flower is shipped to Japan.

Ecuador is the largest pyrethrum producer in the Western Hemisphere and ranks about third in world output.

Yugoslavia's Soft Hemp Exports Down

Yugoslavia's exports of soft hemp and tow in 1964 totaled 9,787 metric tons valued at US$1.68 million. In quantity, this is 23 percent below 1963 exports but only 7 percent below 1962's.

The decline in 1964 shipments was reportedly due to unfavorable prices on the world market, with exporters holding out for better prices during most of the year. Exports in 1965 are expected to rise to about 15,000 tons.

Sierra Leone's Ginger Exports Up, Nigeria's Down

Large purchases by the United Kingdom boosted Sierra Leone's ginger exports during 1964 to nearly 1.6 million pounds. They were 18 percent above the previous year's and the highest since 1959.

However, curtailed buying by the United Kingdom reduced Nigeria's 1964 ginger exports by 11 percent to 5.1 million pounds, despite almost doubling shipments to the United States. Nigeria supplied over one-half of the United States ginger imports last year.

British Cigarette Exports Decline

Exports of cigarettes from the United Kingdom in 1964 totaled 23.3 million pounds—down by about 11 percent from the 26.1 million in 1963. Smaller shipments to Aden, Malaysia, Jamaica, the Sudan, France, and Kuwait more than offset larger exports to Hong Kong, Kenya, the Netherlands, Togo, Libya, Somalia, and Egypt.

Exports have shown a downward trend over the past decade or more, after having reached a peak of 48.5 million pounds in 1951. This decline has come as a result of the increased cigarette production in countries formerly dependent on imports, plus the stiffened competition from the United States—by far the world's largest cigarette exporter.

Dock Strike Curtails January Tobacco Exports

The recent dock strike sharply curtailed U.S. exports of unmanufactured tobacco and tobacco products in January of this year. Total exports of unmanufactured tobacco that month fell to 6.0 million pounds, valued at $3.2 million, from 36.9 million, at $28.8 million, in January 1964. The value of tobacco product exports was likewise off sharply, to $3.4 million from $9.2 million.

For the period July 1964 through January 1965, exports of unmanufactured tobacco totaled 314.5 million pounds—down 14 percent from the 367.2 million shipped out in the first 7 months of fiscal 1964.

U.S. EXPORTS OF UNMANUFACTURED TOBACCO
JANUARY 1964 AND 1965
(Export weight)

Type	Quantity		Value	
	1964	1965	1964	1965
	1,000 pounds	*1,000 pounds*	*1,000 dollars*	*1,000 dollars*
Flue-cured	28,626	3,844	23,622	2,566
Burley	1,703	89	1,305	70
Dark-fired Ky.-Tenn.	2,415	72	1,222	38
Virginia fire-cured[1]	673	52	451	31
Maryland	1,115	35	806	15
Green River	114	--	56	--
One Sucker	21	--	13	--
Black Fat, etc.	245	47	224	28
Cigar wrapper	240	72	438	233
Cigar binder	701	246	514	151
Cigar filler	32	33	16	16
Other	1,016	1,494	166	85
Total	36,901	5,984	28,833	3,233

[1] Includes sun-cured.
Bureau of the Census.

U.S. EXPORTS OF TOBACCO PRODUCTS

Product and value	January	
	1964	1965
Cigars and cheroots		
1,000 pieces	2,196	1,309
Cigarettes		
Million pieces	1,843	718
Chewing and snuff		
1,000 pounds	53	1
Smoking tobacco in pkgs.		
1,000 pounds	59	8
Smoking tobacco in bulk		
1,000 pounds	794	119
Total declared value		
Million dollars	9.2	3.4

Bureau of the Census.

Ontario's 1965 Flue-cured Acreage Announced

The Ontario Flue-cured Tobacco Growers Marketing Board on March 9 voted to cut the 1965 tobacco acreage in Ontario, Canada, by 45 percent of the basic marketable acreage quota, after allowing a 3-acre exemption on each farm.

Officially, the acreage decision was designed to produce about 170 million pounds this season, based on an estimated yield of 1,900 pounds per acre. Also, acreage transfers will again be allowed under the same conditions as last year.

A 170-million pound crop, with an average yield of 1,900 pounds per acre, indicates a 1965 quota acreage of about 89,500 acres. This is almost 18 percent above the 75,900 of last year.

West German Cigarette Sales Up

Cigarette sales in West Germany (including West Berlin) during 1964 totaled 90.2 billion pieces—up 5.7 percent from the 85.3 billion sold in 1963.

Sales of filter-tipped cigarettes continued to rise, accounting for 80 percent of total cigarette sales last year, compared with 77.9 percent in 1963. Also, sales of nicotine-free cigarettes increased from 2.9 percent of total sales in 1963 to 5.6 percent last year.

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The three most popular brands continued to be HB filter, Ernte 23, and Peter Stuyvesant, which together accounted for 54.5 percent of total sales last year, compared with 52 percent in 1963. Unofficial trade estimates indicate that HB filter represented 23 percent of total sales last year; Ernte 23, 18 percent; and Peter Stuyvesant, 13.5 percent.

Sales of cigars and cigarillos turned upward last year after showing a steady decline since 1957. Total sales last year amounted to 4,096 million pieces, 8.2 percent larger than the 1963 level of 3,787 million but still considerably below the 1957 figure of 4,724 million. Sales of fine cut tobacco were up 3.0 percent; pipe tobacco rose 17.6 percent. Chewing tobaccos were down 8.4 percent.

Flue-cured Auctions Open in Rhodesia

Auction sales of Rhodesia's 1965 crop of flue-cured tobacco opened in Salisbury on March 9. Prices during the first 2 days of sales totaled 1.6 million pounds, at an average price equivalent to 39.7 U.S. cents per pound. Sales for the first 3 days last year totaled 2.4 million pounds, at an average price of 33.3 cents.

Chile's Trade in Dairy Products

Chile's imports of dairy products in the first 11 months of 1964 consisted mainly of dried milk and butter from the United States.

This country accounted for virtually all of Chile's 25-million-pound import of dried milk and for 4 million of the 6-million-pound import of butter. Second largest supplier of butter was Argentina.

Other dairy products imported in this period were condensed milk, 1 million pounds; evaporated milk, 115,000; and cheese, 98,000.

Milk Being Moved Through Pipelines in Austria

Austria is at present reportedly using 150 pipelines for conveying milk to accessible points in the valleys from very steep Alpine pastures.

The pipes are black in color to give protection against light and are made of plasticiser-free polyethylene. They are either installed a few inches underground or hung on wire cables above the ground. The longest pipeline extends approximately 3 miles.

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